Incoming 6/039/000/ 0001

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

SMALL MINING OPERATIONS 2009 PROGRESS REPORT January 1, 2009 to December 31, 2009

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

| 1. | Mine Permit Number: 539 0001 |
|--------------|---|
| 2. | Mine Name: Trace Hine 1 - AUHCO Claim |
| 3. | Name of Operator/Permittee: Peak Minerals - Azomite, Inc. |
| | Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals Related/FORMS/MR-REV-SMO_EXP.pdf. |
| 4. | Mine Location: 5W14, NW14, Section 4, Township 175, Range 11 |
| 5. | Report the gross amount of ore mined and waste moved, as well as the current disposition of the material (sold, stockpiled, regraded, etc.): |
| | Gross Ore Minedyd ³ |
| | Waste Material Moved |
| | New Disturbance Acres during 2009 |
| | Area Reclaimed Acres during 2009 |
| | Total Disturbed Area 4.095 Acres* |
| | *Total life of mine disturbance to the end of 2009. Was the ore shipped off site? If not, where is the ore located? 140st is shipped |
| | off site. Some is stacked in disturbed area. |
| | Where is the waste located? Waste only generated when overburden scraped off. It goes into reclamation. |
| 6. | Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE |
| | (https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-SITE.pdf) for an application |
| | for full or partial bond/site release). |
| | Please see approved plan attached. |
| | |
| | reby certify, under penalties of law, the information provided in this report is true and |
| orrect to th | e best of my knowledge and belief. |
| | Name (Typed or Print): Allison L. Long |
| | Title of Operator: Treasurer |
| | Signature of Operator: Allivar X- Sang |
| | Date: 1/29/10 |
| 0 | |

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APPROVED

Peak Minerals-AZOMITE, Inc. - Trace Mine #1/Aumco Claim

July, 2009 Mine Plan to Stay Within S Acre Small Mining Permit Area

177955 pg. ft

DIV. OIL GAS & MINING

Wait to reclaim road shoulder. Think about mining road floor closer to surrounding natural ground surfaces

> Step 2 – Smooth road shoulder at a 3; t slope and seed

Utilize this area for _ stockpiling mined product

The area made the black fries and cross hatched is 177 956 square leet, which is 4.005 acres. This assumes the scaling from Google Earth is accurate.

Mine nose, create a 3.1 slope, smooth, rate and seed

> Note - Most of the mining on the rose is already within the black lines designating maximum current disturbed area

Step 1 - Put in fence posts to mark subside of 20 ft road. Smooth, rake and seed East of posts